



PAKISTAN STOCK EXCHANGE LIMITED

Stock Exchange Building, Stock Exchange Road, Karachi-74000,
Phones: 111-001-122

PSX/N-1378

NOTICE

December 14, 2020

LISTING OF PRIVATELY PLACED, RATED AND SECURED SUKUK CERTIFICATES OF PKR 5,000 MILLION OF THE HUB POWER COMPANY LIMITED

The Pakistan Stock Exchange is pleased to notify the listing of the 5th Issue of Privately Placed, Rated and Secured Sukuk Certificates (PPSCs) of PKR 5,000 Million of The Hub Power Company Limited on the Exchange w.e.f. **Tuesday, December 15, 2020** pursuant to Chapter 5C of PSX Rule Book, i.e. "Privately Placed Debt Securities' Listing Regulations". Trading in the PPSCs will commence from Wednesday, December 16, 2020 through Bond Automated Trading System (BATS) and will be settled through National Clearing Settlement System (NCSS) on T+1 basis.

Only **Qualified Institutional Buyers (QIBs)**, as defined in Chapter 5C of the PSX Rule Book, are allowed to trade in the Sukuk Certificates of the Company. The Market Lot will be one certificate of face value of PKR 100,000/- each. The Issuer has not appointed a Designated Market Maker for this issue.

The National Clearing Company of Pakistan Limited has assigned the Security Symbol "**HUBCSC4**" to the Sukuk Certificates.

The Registrar/Transfer Agent for the Sukuk Certificates of the Company is **FAMCO Associates (Pvt) Limited, State Life Building, No.1 A, Ground Floor, I. I. Chundrigar Road, Karachi-74000.**

- Tel No: (92-21) 32422344, 32427406
- Fax: (92-21) 32428310
- Email: info.shares@famco.com.pk

Term Sheet of the Issue is attached for the information of all concerned.

Asmaa Saleem Malik

Asmaa Saleem Malik

General Manager
Listing Department

Copy to:

Additional Director/HoD, PMADD, SECP
Head of Operations – Central Depository Company of Pakistan Limited
Head of Operations – National Clearing Company of Pakistan Limited
The Chief Executive Officer – The Hub Power Company Limited
The Chief Executive Officer – Arif Habib Limited
PSX Website



The Hub Power Company Limited

Rated, Secured, Privately Placed, Islamic Certificates amounting to PKR 5,000 Million

Term Sheet

| | |
|----------------------------------|---|
| Issuer | The Hub Power Company Limited ("HUBCO" or the "Issuer") |
| Issue | Rated, Secured, Privately Placed, Islamic Certificates (the "Sukuk" or the "Issue") issued as Instrument of Redeemable Capital under Section 66 of the Companies Act, 2017, and as conferred in Pakistan Stock Exchange's Privately Placed Debt Securities Listing Regulations, 2018, Sukuk (Privately Placed) Regulations, 2017 and Private Placement of Securities Rules, 2017. |
| Mandated Lead Advisor & Arranger | Bank Alfalah Limited ("BAFL") & Arif Habib Limited ("AHL") |
| Joint Lead Arranger | Allied Bank Limited ("ABL") |
| Issue Amount | Up to PKR 5,000 million (Pak Rupees Five Billion Only) |
| Tenor | Four Years (4 years) starting from the Issue Date inclusive of grace period of two years (2 years) |
| Face Value | The Face Value of each Sukuk Certificate will be PKR 100,000/- (Pak Rupees One Hundred Thousand Only) |
| Issue Date | The date on which the entire Issue Amount will be disbursed and received in Issuer's disbursement account. |
| Maturity Date | Four Years from the Issue Date |
| Purpose | The funds will be utilized for the optimization of the Balance sheet |
| Profit Rate | 1 Year KIBOR (Base Rate) + 190 bps The Base Rate is defined as Karachi Inter-Bank Offered Rate ("KIBOR") prevailing on the Base Rate setting date. The Base Rate will be set for the first year profit payments on the issue date and for each subsequent year profit payments on the immediately preceding day before the start of each annual period. The KIBOR rates used for reference will be taken from Reuters page "KIBOR" as published at 11:30 a.m. PST by the Financial Markets Association ("FMA") for the purpose of this Issue the daily average of the "1 Year ASK" rate will be used. In the event that this rate is not published on Reuters on the rate |

Mandated Lead Advisor & Arranger



Joint Lead Arranger



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SOHAIL KASSAMALI
Company Secretary
The Hub Power Company Limited



fixing date or if less than 8 banks provide their rates for the KIBOR fixing, the same would be replaced with a relevant rate of a similar nature or an alternate basis would be agreed upon for determining the Base Rate

Profit Payment Frequency

Profit will be payable semi-annually in arrears calculated on a 365 day year basis on the outstanding Principal amount. The first such profit payment will fall due six (06) months from the Issue date and subsequently every six (06) months thereafter

Interim Profit Payment

Interim Profit Payment shall be equal to the Profit Rate on the amount invested by each Investor from the date on which such Investment amount are received by the Issuer until the date which is one day prior to the Issue Date

Principal Redemption

Semi Annual Principal Redemption shall commence from third year of the Issue Date in four equal principal installments and shall continue till the maturity of the Instrument

Principal Repayment Schedule

| Month End | Principal Repayment (%) | Principal Repayment (PKR mn) |
|-----------|-------------------------|------------------------------|
| 6 | 0.00% | |
| 12 | 0.00% | |
| 18 | 0.00% | |
| 24 | 0.00% | |
| 30 | 25.00% | 1,250 |
| 36 | 25.00% | 1,250 |
| 42 | 25.00% | 1,250 |
| 48 | 25.00% | 1,250 |
| Total | 100.00% | 5,000 |

Advisory and Participation Fee

A flat fee of PKR 85 million on account of Advisory and Participation Fee will be payable as follows:

- 40% on the execution of the Financing Agreements
- 60% on the disbursement of Funds to the Issuer

The above fee is exclusive of Sindh Services Sales Tax which will be billed in addition to the fee and shall be borne by the Issuer.

Prepayment Option

The Issuer would have an option to prepay the Issue Amount after the expiry of the Grace period with thirty (30) days prior written irrevocable notice to the Trustee/Issue Agent. Prepayment Option will be subject to the following:

- In multiples of PKR 500 Million

Mandated Lead Advisor & Arranger

Bank Alfalah
ARIF HABIB LIMITED

SOHAIL KASSAMALI
Company Secretary
The Hub Power Company Limited



Joint Lead Arranger

Allied Bank



- To be allowed on scheduled principal/profit payment dates

- Shall not attract any prepayment penalty

Security

The underlying Instrument will be secured by the following:

Corporate Guarantee for profit/principal payments and the Issue amount

- Revolving Cross Corporate Guarantee ("RCCG") from Narowal Energy Limited ("NEL") for the an amount of PKR 6,666.67 million (Issue Amount plus 25% margin)

Claim on Assets

- Subordinate hypothecation charge over all present and future movable fixed assets of NEL for PKR 6,666.67 million (Issue Amount plus 25% margin)
- Subordinate charge over all present and future movable current assets of HUBCO for PKR 6,666.67 million (Issue Amount plus 25% margin).

Entity Rating

AA+ (Double A Plus) for the long term and A – 1 + (A – One Plus) for the short term with stable outlook by PACRA.

Instrument Rating

TBD

Transaction Legal Counsel

Mohsin Tayebaly and & Co

Trustee and Issue Agent to the Issue

TBD

Shariah Structuring Advisor

ESAAC Ehsan Shariah Advisors and Consultants

Market Maker to the Issue

TBD – If required, market making fee will be decided at time of its appointment

Eligible Investors

Qualified Institutional Buyers (QIBs) as defined in Pakistan Stock Exchange's Privately Placed Debt Securities' Listing Regulations, 2018, and any other person notified by Securities and Exchange Commission of Pakistan under section 66 of the Companies Act, 2017 as person to whom instrument of redeemable capital can be issued

Listing

Listing on Pakistan Stock Exchange ("PSX") under the PSX's Privately Placed Debt Securities Listing Regulations, 2018

Mandated Lead Advisor & Arranger



Joint Lead Arranger



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SOHAIL KASSAMALI
Company Secretary
The Hub Power Company Limited



**Transferability**

Transfer shall be made in accordance with the Central Depository Act, 1997 and CDC Regulations

Governing Law

The Instrument shall be subject to the laws of Islamic Republic of Pakistan and non-exclusive jurisdiction of the Pakistan Courts

Address of the Registered Office of the Issuer

11th Floor, Ocean Tower, G-3 Block-9 Min Clifton Road Karachi


Contact Details of Shariah Advisor

Ensan Shariah Advisors and Consultants (Private) Limited
Name of Contact Person: Mufti Ehsan Waquar
Phone: +92 21 34833944
Email: ehsanwaquar@esaac.com.pk
Address: B-187/1
Gulshan-e-Iqbal Block 4-A, Karachi

Name and Address of the Registered Office of Advisor & Arranger

Bank Alfalah Limited
Mezzanine Floor, B.A Building I.I Chundrigar Road Karachi


Arif Habib Limited
Arif Habib Center 23, M.T Khan Road, Karachi


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SOHAIL KASSAMALI
Company Secretary
The Hub Power Company Limited

END OF TERMS AND CONDITIONS


Kindly confirm your agreement and acceptance of the aforementioned terms and conditions by duly signing this letter and returning it to the undersigned by **January 25, 2019**. The terms provided above will supersede the terms agreed in the term sheet executed on November 15, 2019


For and on behalf of Mandated Lead Advisor & Arranger


Ahmed Rajani
Director, Investment Banking
Arif Habib Limited


Mehvish Waliq
Head of Investment Banking
Bank Alfalah Limited

Agreed for and on behalf of The Hub Power Company Limited


Name:
Designation:


Name:
Designation:

Mandated Lead Advisor & Arranger
 **Bank Alfalah**  **ARIF HABIB LIMITED**



Joint Lead Arranger
 **Allied Bank**

STATEMENT OF INDUCTION OF SUKUK CERTIFICATES IN THE CENTRAL DEPOSITORY SYSTEM (CDS)
DETAILS OF SUBSCRIBERS

The following details pertain to the allotment of Sukuk Certificates by The Hub Power Company Limited (the Issuer) to the subscribers after the receipt of full amount of subscription money against the certificates:

| S.No. | Particulars | Total number of certificates issued | Face value per certificate (Rupees) | Amount (Rupees) |
|--------------|---|-------------------------------------|-------------------------------------|----------------------|
| | | A | B | C=A*B |
| 1 | Meezan Islamic Income Fund | 6,850 | 100,000 | 685,000,000 |
| 2 | Meezan Balance Fund | 500 | 100,000 | 50,000,000 |
| 3 | Engro Corporation Ltd Provident Fund | 500 | 100,000 | 50,000,000 |
| 4 | Pakistan Telecommunication Employees Trust | 1,200 | 100,000 | 120,000,000 |
| 5 | Hilal Group Employees Provident Fund | 50 | 100,000 | 5,000,000 |
| 6 | Faysal Saving Growth Fund | 1,000 | 100,000 | 100,000,000 |
| 7 | Faysal Islamic Saving Growth Fund | 2,000 | 100,000 | 200,000,000 |
| 8 | CDC Trustee – Askari High Yield Scheme | 100 | 100,000 | 10,000,000 |
| 9 | MCBFSL Trustee – Pak Oman Advantage Islamic Income Fund | 200 | 100,000 | 20,000,000 |
| 10 | MCBFSL Trustee – Pak Oman Government Securities Fund | 200 | 100,000 | 20,000,000 |
| 11 | HBL Islamic Pension Fund – Debt Sub Fund | 50 | 100,000 | 5,000,000 |
| 12 | HBL Islamic Income Fund | 350 | 100,000 | 35,000,000 |
| 13 | Pak Qatar Family Takaful Limited | 4,500 | 100,000 | 450,000,000 |
| 14 | Pak Qatar General Takaful Limited | 250 | 100,000 | 25,000,000 |
| 15 | NBP Financial Sector Income Fund | 2,416 | 100,000 | 241,600,000 |
| 16 | NBP Riba Free Savings Fund | 7,000 | 100,000 | 700,000,000 |
| 17 | Bosch Pharmaceuticals (Pvt.) Ltd. Employee Provident Fund | 28 | 100,000 | 2,800,000 |
| 18 | Agriauto Industries Limited - Employees Provident Fund | 35 | 100,000 | 3,500,000 |
| 19 | Rouche (Pakistan) Power Limited Employees Gratuity Fund | 7 | 100,000 | 700,000 |
| 20 | Rouche (Pakistan) Power Limited Employees Provident Fund | 14 | 100,000 | 1,400,000 |
| 21 | AKD Islamic Income Fund | 250 | 100,000 | 25,000,000 |
| 22 | Punjab Pension Fund Trust | 2,500 | 100,000 | 250,000,000 |
| 23 | ABL Islamic Income Fund | 2,650 | 100,000 | 265,000,000 |
| 24 | Pak Kuwait Investment Company (Private) Limited | 3,000 | 100,000 | 300,000,000 |
| 25 | Pak China Investment Company Limited | 3,000 | 100,000 | 300,000,000 |
| 26 | BankIslami Pakistan Limited | 4,420 | 100,000 | 442,000,000 |
| 27 | Sindh General Provident Fund | 3,465 | 100,000 | 346,500,000 |
| 28 | Sindh General Investment Fund | 3,465 | 100,000 | 346,500,000 |
| Total | | 50,000 | | 5,000,000,000 |

DETAILS OF BANK ACCOUNTS IN WHICH SUBSCRIPTION AMOUNT WAS DEPOSITED

The following details pertain to the bank account in which amounts in respect of issue of sukuk certificates have been deposited:

| Name of Bank | Branch | IBAN number | Amount received (Rupees) |
|---|--|--------------------------|--------------------------|
| Bank Alfalah | 3rd Floor, Islamic Chamber of Commerce Building, St-2/A, Block 9, Clifton. | PK39ALFH0005001004406237 | 5,000,000,000 |
| Total subscription amount received | | | 5,000,000,000 |